

## **EXHIBIT A**

ORAL DEPOSITION OF REESE LEVER

Page 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

FIREMAN'S FUND INSURANCE	)	
COMPANY, ONE BEACON	)	
INSURANCE COMPANY, NATIONAL	)	
LIABILITY AND FIRE	)	
INSURANCE COMPANY and QBE	)	
MARINE & ENERGY SYNDICATE	)	
1036,	)	EFC CASE
Plaintiffs,	)	
	)	10 Civ. 1653 (LAK)
VS.	)	
	)	
GREAT AMERICAN INSURANCE	)	
COMPANY OF NEW YORK, MAX	)	
SPECIALTY INSURANCE COMPANY	)	
and SIGNAL INTERNATIONAL,	)	
LLC,	)	
Defendants.	)	

\*\*\*\*\*  
ORAL DEPOSITION OF  
REESE LEVER  
December 15, 2011  
\*\*\*\*\*

ORAL DEPOSITION OF REESE LEVER, produced as a witness at the instance of the PLAINTIFFS, and duly sworn, was taken in the above-styled and numbered cause on December 15, 2011, from 8:55 a.m. to 12:54 p.m., by machine shorthand before MICHELLE R. PROPPS, CSR, in and for the State of Texas, reported at the offices of LeBlanc Bland, 1717 St. James Place, Suite 360, Houston, Texas, pursuant to the Federal Rules of Civil Procedure and the provisions stated in the record or attached hereto.

## ORAL DEPOSITION OF REESE LEVER

Page 70

1 exactly what their response said, so I don't remember.  
 2 Q. Whatever response you got was in the file; is  
 3 that correct?  
 4 A. Yes.  
 5 Q. And isn't it also true you added this vessel  
 6 as is, where is, as reflected on the survey, on the  
 7 promise that the insured would follow the  
 8 recommendations?  
 9 A. Yes.  
 10 Q. Isn't it also true you never sent a surveyor  
 11 down to confirm the recommendations had been followed?  
 12 Isn't that true?  
 13 A. That's correct.  
 14 Q. Isn't it also true you received no audio gauge  
 15 reports on this vessel?  
 16 A. That's correct.  
 17 Q. Isn't it also true you never received advice  
 18 that the audio gauging had, in fact, been done?  
 19 A. That, I don't remember.  
 20 Q. Again, if there's anything, it's in the file?  
 21 A. Yes.  
 22 Q. Before we leave this survey, the second -- the  
 23 second item down on conditions, it says, "The vessel  
 24 deck was sighted in good condition with doubler plates  
 25 scattered throughout the deck." Do you know what a

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 72

1 recommendations appear?  
 2 A. 128. Where was the doubler plate?  
 3 Q. I'm sorry. I might have read from the wrong  
 4 report. I apologize. Strike that.  
 5 MR. ZACHARKOW: Objection.  
 6 MR. NICOLETTI: What basis? I withdrew  
 7 the question.  
 8 MR. ZACHARKOW: Wrong report.  
 9 MR. NICOLETTI: I withdrew the question.  
 10 Q. (By Mr. Nicoletti) Now, one of the  
 11 recommendations is that, "Wastage holes in bulkheads  
 12 need to be addressed." Now, that was a condition noted.  
 13 But I gather that was not of underwriting consideration  
 14 for you; is that correct? Because you didn't identify  
 15 it going through.  
 16 A. It would have been.  
 17 Q. Now, it is. What did you do to follow up to  
 18 determine whether or not the wastage hulls had been  
 19 sealed?  
 20 A. The follow-up we had was sending an e-mail  
 21 requesting the status of the recommendations in the  
 22 survey.  
 23 Q. But again, you bound this risk -- you added  
 24 this risk to the policy day one on the promise from the  
 25 insured it would complete these recommendations; is that

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 71

1 doubler plate is?  
 2 A. Not off the top of my head.  
 3 Q. You were a deck officer, and you don't know  
 4 what a doubler plated is? No?  
 5 A. It's not coming back to me right now.  
 6 Q. Would it refresh your recollection that a  
 7 doubler plate is a second sheet of steel placed over a  
 8 deck area where there's corrosion, rust or holing in the  
 9 deck?  
 10 A. Yes.  
 11 Q. Now, we have a common understanding of what a  
 12 doubler is. So the fact that it had doubler plates  
 13 scattered through the deck did not raise any concerns  
 14 with you?  
 15 MR. ZACHARKOW: Objection.  
 16 A. I'm not saying it did or it didn't. That's --  
 17 Q. (By Mr. Nicoletti) Did it prevent you from --  
 18 did it prevent you from adding this vessel to the fleet  
 19 policy for pollution liability?  
 20 A. No.  
 21 Q. And isn't it true there was no recommendation  
 22 to fix the deck, or make it a single -- to remove the  
 23 doublers and insert the steel?  
 24 A. I'd have to look back at the recommendations.  
 25 Q. Well, take a look. What page do the

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 73

1 correct?  
 2 A. Yes. And as an accomodation to Signal, again,  
 3 since we had been writing the business since 2004.  
 4 Q. So I gather Signal's word to you was  
 5 sufficient for you to bind the risk --  
 6 MR. ZACHARKOW: Objection.  
 7 Q. (By Mr. Nicoletti) -- for this vessel?  
 8 A. Yes.  
 9 Q. You trusted Signal's word; is that correct?  
 10 You trusted Signal in its representations; is that  
 11 correct?  
 12 A. Yes.  
 13 Q. Do you have any understanding why in this  
 14 particular litigation that Great American is accusing  
 15 Signal of deceptive practices? Any basis for that,  
 16 based on your dealing with them?  
 17 MR. ZACHARKOW: Objection.  
 18 A. On -- not on my -- I've never dealt directly  
 19 with Signal, always through Willis, so --  
 20 Q. (By Mr. Nicoletti) Willis is the agent of  
 21 Signal, are they not?  
 22 A. Yes.  
 23 Q. So anything Willis gave you comes from Signal;  
 24 is that correct?  
 25 A. Yes.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 78

- 1 Q. Long ton. Now, again, based upon what you've  
2 told me in the past, the particular points of interest  
3 in the survey would be in the conditions and  
4 recommendations. Do you recall that?
- 5 A. Yes.
- 6 Q. Let's turn to the conditions and  
7 recommendations, the conditions starts at GA-161, and go  
8 through them all and advise me which of these would  
9 raise concerns in your underwriting analysis.
- 10 A. The second condition, the last sentence, "This  
11 area of the drydock does show old extensive pitting."
- 12 Q. That relates to the hull, the pontoons?
- 13 A. Yes, hull and wing walls of the drydock.
- 14 Q. Okay. Anything else on page -- on the  
15 following page, GA-162?
- 16 A. Then the fourth condition down on Page 162.
- 17 Q. Okay. Please read that.
- 18 A. The last sentence, "Heavy wastage was found on  
19 the overhead longitudinal angles and in way of the  
20 outboard, non-tight bulkhead with waste hulls located 6  
21 to 8 feet above the bottom of the pontoon."
- 22 Q. Anything further?
- 23 A. I mean, it does say, "heavy rust and scale,"  
24 that would be -- in the same paragraph.
- 25 Q. Okay. Anything further going down?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Collage Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 80

- 1 The aft end of the No. 2 port compartment was in  
2 good" --
- 3 Q. The aft end --
- 4 A. Well, that was -- that says it was in good  
5 condition. So...
- 6 Q. Okay.
- 7 A. That's it for the conditions.
- 8 Q. Despite all of the conditions you noted as  
9 being a concern to you, you added this drydock to the  
10 Signal pollution policy, fleet policy, did you not?
- 11 A. Yes.
- 12 Q. Now, let's look at Recommendations. Which are  
13 the recommendations you would focus on as needing to be  
14 corrected in the future?
- 15 A. The main one would be, "All wasted and damaged  
16 structural members in way of the vessel's internals need  
17 to be addressed and repaired to make structurally  
18 sound."
- 19 Q. Despite this to be an ongoing recommendation,  
20 not yet completed, you added this vessel to Signal's  
21 fleet policy, did you not?
- 22 A. Yes.
- 23 Q. And the policy I'm referring is the Great  
24 American pollution policy; is that correct?
- 25 A. Vessel pollution policy. Yes.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Collage Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 79

- 1 A. The next condition, "Transverse bulkheads in  
2 Bay C were noted to have wastage and holed in the area  
3 of 6 to 8 feet above the bottom."
- 4 Q. Anything further?
- 5 A. The next one, "The No. 1 starboard compartment  
6 was consistent with the No. 1 port compartment with  
7 heavy rust and scale and overhead angles having heavy  
8 wastage."
- 9 Q. Anything further in Conditions?
- 10 A. The next one, "Reportedly there is side shell  
11 damage in Bay C and horizontal stiffener is wasted."
- 12 Q. You would not have taken note of the fact that  
13 they were unable to inspect the starboard compartment  
14 because of 2 to 3 feet of water in the bottoms?
- 15 A. Well, yes. I was saying that was probably  
16 because reportedly there was side shell damage and the  
17 horizontal stiffener was wasted. I think that's what  
18 they were saying.
- 19 Q. Anything else?
- 20 A. The next condition as well, "The forward end  
21 of the No. 2 port compartment showed signs of heavy rust  
22 and scale, and bottom longitudinal is wasted in way of  
23 the flanges. Forward bulkhead vertical stiffeners  
24 wasted in way of the flanges. Deck transverse channels  
25 showed signs of wastage along with the bottom chords.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Collage Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 81

- 1 Q. Right. Did you at any time follow up to  
2 ensure that these recommendations were completely  
3 followed -- completely fulfilled?
- 4 A. We did follow up, yes.
- 5 Q. When you followed up, did you ever confirm the  
6 recommendation was complied with that all structural  
7 internals were renewed and replaced?
- 8 A. I don't remember the exact responses to our  
9 follow-ups. But it was -- we were definitely told they  
10 were being worked on. I don't know if it was totally --  
11 all the recommendations had been complied with yet or  
12 not.
- 13 Q. So you relied upon Signal's representation  
14 that these recommendations would be completed sometime  
15 in the future?
- 16 A. Yes.
- 17 Q. Did you ever tell Signal how long they had to  
18 fulfill these recommendations or comply with the  
19 recommendations?
- 20 A. Not that I remember.
- 21 Q. In other words, you never threatened to take  
22 this vessel off the schedule if it took them a couple of  
23 years to complete those recommendations, did you?
- 24 A. No.
- 25 Q. In fact, you would have left the vessel on as

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Collage Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 82

1 long as they were showing some good faith progress in  
2 correcting the vessel; isn't that correct?

3 A. More than likely. Like I say, that's  
4 situational. I mean, it just depends.

5 Q. I'm going to apologize to you, Mr. Lever, even  
6 though it's really your counsel's fault. I have no  
7 copies of the 2011 -- or do we have copies of it? We  
8 don't have copies of the 2011 file, so --

9 MR. GUY: It's the one we got this  
10 morning.

11 MR. NICOLETTI: Yes. That's why I was  
12 burning George.

13 MR. ZACHARKOW: You asked for it  
14 yesterday afternoon, we got it to you today.

15 MR. GUY: Here's mine. (Handing)

16 MR. NICOLETTI: I thought it was part of  
17 my underlying request. Anyway, let me have the entire  
18 document marked, this way -- because there are not Bates  
19 numbers on it.

20 MR. ZACHARKOW: No. And as we discussed,  
21 it was --

22 MR. NICOLETTI: No, I understand.

23 MR. ZACHARKOW: Let me just make it clear  
24 on the record. It came up yesterday at Ms. Stringer's  
25 deposition that you wanted it. We arranged to get it

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 84

1 documents that --

2 MR. NICOLETTI: Documents that were  
3 removed for privilege.

4 A. To my knowledge, I pointed through and printed  
5 out everything yesterday, so it should all be there.

6 Q. (By Mr. Nicoletti) Okay. Good. Now, can you  
7 turn to that section of the file which, in your  
8 understanding, represents the communications on the  
9 renewal?

10 A. That would be towards the back.

11 Q. I think it might start with this document.  
12 (Indicating)

13 A. All right. I think we're on the same  
14 document.

15 Q. Since there are no Bates numbers, can you  
16 identify the document you've turned to by the title?

17 A. The Great American Insurance Company of New  
18 York Vessel Pollution Liability Application.

19 Q. And this was for the Signal account?

20 A. Yes.

21 Q. And this was for the 2011 to 2012 policy year?

22 A. Yes.

23 Q. Is this the same basic application form that's  
24 been used for the 2009, 2010, and now the 2011 renewal  
25 of the Signal pollution liability policy?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 83

1 overnight, we've brought it here and provided it to you.  
2 It's not Bates stamped. We will provide a Bates stamped  
3 copy as well as --

4 MR. NICOLETTI: Privileged log to be --

5 MR. ZACHARKOW: -- a supplement to our  
6 privileged log to cover certain -- a handful of  
7 documents that were removed.

8 MR. NICOLETTI: Let's have this  
9 compilation of documents, which has been represented to  
10 us as being the underwriting file for the renewal of the  
11 Signal pollution liability policy for the year January  
12 2011 through January 2012, marked.

13 (Exhibit No. 257 marked.)

14 Q. (By Mr. Nicoletti) Mr. Lever, I'm going to  
15 hand you what we've marked as Exhibit 257. It was  
16 represented to us as being your underwriting file. Are  
17 you familiar with that file?

18 A. Yes.

19 Q. Is it one of your files that you actually are  
20 responsible for?

21 A. Yes.

22 Q. Can you go through it, take as much time as  
23 you need, to let me know if that's the complete  
24 underwriting file?

25 MR. ZACHARKOW: With the exception of the

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 85

1 A. Yes, it looks like it.

2 Q. And again, on this policy, it shows that the  
3 P&I is through an MGL, including watercraft endorsement?

4 A. Yes.

5 Q. Who is AIHC?

6 A. I think that's saying that that's the form  
7 they're using for the hull form, American Institute Hull  
8 Clauses.

9 Q. Okay. Do you know who the underwriter is this  
10 year, for 2011, on the MGL?

11 A. Well, it says, "One Beacon" above it.

12 Q. Well, that says, "Current Hull/P&I Carrier" is  
13 "Allianz/One Beacon"; is that correct?

14 A. Yes.

15 Q. And then it says, "Current hull/P&I Form,"  
16 it's your understanding that Allianz and One Beacon are  
17 on the MGL?

18 A. Yes.

19 Q. Again, the application form does not request  
20 any information on the condition of any vessel to be  
21 insured under the pollution policy, does it?

22 A. No.

23 Q. Now, the next series of documents in the file  
24 appears to be the declaration page for the policy that  
25 was issued for 2011-2012?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio



## ORAL DEPOSITION OF REESE LEVER

Page 102

1 in the file.  
 2 MR. NICOLETTI: Well, I agree. If I have  
 3 it in the file, that's fine. I'm looking for things  
 4 that are not in the file. I leave that to you gentlemen  
 5 to figure out how you get that information to me.  
 6 Again, I need a list of my requests at  
 7 the end of the transcript.  
 8 Q. (By Mr. Nicoletti) Let me direct your  
 9 attention to an e-mail from yourself to Mr. Vernon dated  
 10 Tuesday, January 11th, 2011. Do you see that in front  
 11 of you?  
 12 A. Yes.  
 13 Q. Let's have that marked as Exhibit 267.  
 14 (Exhibit No. 267 marked.)  
 15 Q. At the bottom is Mr. Ewing's e-mail to you  
 16 dated January 5th, 2011, saying, "Attached please find  
 17 the renewal submission for the pollution for Signal."  
 18 You see that?  
 19 A. Yes.  
 20 Q. And the top e-mail on that same page is your  
 21 response attaching your renewal quotation.  
 22 A. Yes.  
 23 MR. ZACHARKOW: Is that what 267 was?  
 24 MR. NICOLETTI: Yeah.  
 25 Q. (By Mr. Nicoletti) Now, your e-mail to Mr.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 104

1 despite the pending lawsuit?  
 2 MR. ZACHARKOW: Objection.  
 3 Q. (By Mr. Nicoletti) You can answer.  
 4 A. No, I don't know.  
 5 Q. Okay. Now, let's go to the next document,  
 6 which looks like a -- a reprint of your renewal  
 7 quotation. Do you see that?  
 8 A. Yes.  
 9 Q. Are these your handwritten notes whereby  
 10 you're trying to calculate the premium?  
 11 A. Those are Steve Weber's notes.  
 12 Q. Oh, these are Weber's notes. Okay. Does this  
 13 indicate to you that Mr. Weber was reviewing for  
 14 purposes of approving your work on this account?  
 15 A. Yes.  
 16 Q. Did you have authority to write this account  
 17 without Mr. Weber approving it?  
 18 A. I don't know if this one fell within my  
 19 authority or not, but he wanted to approve this one.  
 20 Q. Do you know why Mr. Weber wanted to approve  
 21 this particular quote? Did he tell you?  
 22 A. No, he did not.  
 23 Q. We have a rule when a person's name is  
 24 mentioned more than three times, he's the next witness  
 25 on the list.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 103

1 Ewing references the renewal quotation. Is that  
 2 Exhibit 266?  
 3 A. Yes.  
 4 Q. You also say, "I've also attached our current  
 5 valued loss run for your review."  
 6 A. Yes.  
 7 Q. What is that? What document is that? Have we  
 8 seen it?  
 9 A. We have not seen it, no.  
 10 Q. Okay. Then it says, "Please note that due to  
 11 current open claim, we will not be able to offer a  
 12 reduction on the renewal." What open claim are you  
 13 referring to?  
 14 A. This one. (Indicating)  
 15 Q. Okay. All along, I've been told by you and  
 16 Ms. Stringer there was no claim, but I gather this now  
 17 tells me you have an open claim on this file, on this  
 18 account.  
 19 A. Well, what I've been told is there's been no  
 20 claim submitted, but we have an open claim number for  
 21 this -- this.  
 22 Q. Who told you that no claim was submitted?  
 23 A. Julia Price.  
 24 Q. And do you know the basis of Ms. Price's  
 25 statement that there's no open claim on this file.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 105

1 MR. ZACHARKOW: That's your rule, not  
 2 ours. Your name's been mentioned a lot in these  
 3 depositions, Mr. Nicoletti.  
 4 MR. NICOLETTI: You can take my  
 5 deposition anytime. I'm certain it's not going to help  
 6 you. Can you please mark that as the next exhibit,  
 7 which I think is Exhibit 268?  
 8 (Exhibit No. 268 marked.)  
 9 MR. ZACHARKOW: Where did 268 start?  
 10 MR. NICOLETTI: These two pages.  
 11 (Indicating)  
 12 MR. ZACHARKOW: Thank you.  
 13 Q. (By Mr. Nicoletti) Now, you've identified the  
 14 printing as Mr. Weber's; is that correct?  
 15 A. Yes.  
 16 Q. Is there any information on here, other than  
 17 suggested pricing changes for the premium?  
 18 A. The addition of a removal of wreck exclusion.  
 19 Q. Where do you see that? Ah. Is that the first  
 20 time that that was placed in the policy? It says,  
 21 "Removal of waiver exclusion," doesn't it, not "wreck"?  
 22 A. I'm not going to interpret his handwriting.  
 23 Q. He's got an arrow going to a line. What does  
 24 the printed line state?  
 25 A. We should be able to see that on the

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 130

1 was material to you in underwriting this -- or renewing  
 2 the underwriting of this pollution policy.  
 3 A. Yes. For renewing this policy, yes.  
 4 Q. Now, Mr. Nicoletti showed you earlier a series  
 5 of underwriting guidelines, pollution guidelines, I  
 6 think they were called. And there are a total of four  
 7 editions. Do you recall that?  
 8 A. Yes.  
 9 Q. Here it is somewhere. Here they are. Okay.  
 10 Edition No. 1 was marked as Exhibit 241. That's dated  
 11 December 31st, '98.  
 12 A. Yes.  
 13 Q. Edition No. 2, that's Exhibit 245 -- sorry.  
 14 I'm sorry. We don't have Exhibit 243, but it's dated  
 15 January 1st, 2005. And that was Exhibit 243.  
 16 A. Okay.  
 17 Q. Then we have Edition 3, what's called again --  
 18 and it's dated January 1st, 2007. Okay. And that was  
 19 Exhibit 245. And I'm not entirely clear from your  
 20 earlier testimony which of these you relied on, if any,  
 21 when renewing the Signal account for 2009 in late 2008,  
 22 early 2009.  
 23 A. If there would have been, it would have been  
 24 version one, because when I got to Great American, I  
 25 would have just copied whatever Cindy Stringer had. And

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 132

1 question or a statement?  
 2 Q. (By Mr. Guy) Is that correct?  
 3 MR. NICOLETTI: Do you agree with that?  
 4 If that is Ms. Stringer's testimony, do you agree with  
 5 it?  
 6 MR. ZACHARKOW: Objection.  
 7 MR. NICOLETTI: You can ask it that way.  
 8 You can answer.  
 9 A. What I would say is if -- if there is current  
 10 hull insurance, we would expect that they had done their  
 11 due diligence to -- and that the vessels are good to be  
 12 covered.  
 13 Q. (By Mr. Guy) Okay. Same thing with P&I  
 14 insurance.  
 15 A. Yes.  
 16 Q. Ms. Stringer's testimony was that if there is  
 17 P&I insurance in place, then, again, to use your words  
 18 just now, you would expect they had done their due  
 19 diligence when considering this as a pollution risk.  
 20 Would you agree with that?  
 21 A. Yes.  
 22 Q. In this particular case, the AFDB-5 drydock  
 23 that's the subject of this litigation is not insured on  
 24 a hull policy. Did you know that?  
 25 A. I truthfully -- I didn't remember that until

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 131

1 I think -- I'm pretty sure that's the one she had.  
 2 Q. This is the 1998 one?  
 3 A. Yes.  
 4 Q. You hadn't seen the 2005 or 2007 versions?  
 5 A. Not that I remember, no. And I don't --  
 6 truthfully, I don't even remember if I looked at the  
 7 guidelines for the renewal.  
 8 Q. Okay. Ms. Stringer testified -- and if  
 9 counsel objects to my -- how I describe her testimony,  
 10 we'll see if we can work it out so that we're happy --  
 11 that one of the important things from a pollution  
 12 underwriter's point of view was that this was an  
 13 acceptable -- the vessels being insured were acceptable  
 14 to a hull insurer. You're nodding your head. If you  
 15 can say yes or no. Would you agree with that?  
 16 A. I think, as I stated earlier to Mr. Nicoletti,  
 17 the way I interpreted it is that would have to be an  
 18 acceptable risk for us as a hull underwriter, for Great  
 19 American, yes. So similar to what you're saying, yes.  
 20 Q. Okay. But as I understood Ms. Stringer's  
 21 testimony, she was saying if there was existing hull  
 22 insurance that satisfied hull underwriters, the fact  
 23 that there was such underwriters in and of the itself  
 24 would be satisfactory to Great American.  
 25 MR. ZACHARKOW: Objection. Is that a

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 133

1 we just went through that, to tell you the truth.  
 2 Q. In fact, it's insured on an inland property,  
 3 non-marine policy. Did you know that?  
 4 A. Yes, I knew that.  
 5 Q. And Ms. Stringer's testimony, when I asked her  
 6 if that made any difference that it was on a property  
 7 policy rather than a hull policy, was that that would  
 8 make no difference as long as there was that coverage  
 9 for physical damage. Would you agree with that?  
 10 MR. ZACHARKOW: Objection. You can  
 11 answer.  
 12 A. Yes, because I remember looking back at the  
 13 app., that it said that -- the AIHC, which would be the  
 14 American Institute of Hull Clauses.  
 15 Q. (By Mr. Guy) The point being a hull -- marine  
 16 hull policy or a land based property policy, as long as  
 17 the coverage is there for physical damage, you assume  
 18 that those underwriters had done their due diligence.  
 19 Correct?  
 20 A. Yes.  
 21 Q. Similarly, you understand that there's no P&I  
 22 policy, as such, in place for this risk? You understand  
 23 that?  
 24 A. Yes.  
 25 Q. And instead, there's a marine general

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 134

1 liability policy.  
 2 A. Yes.  
 3 Q. Who's represented by -- primary and excess is  
 4 represented by Mr. Nicoletti here. Again, is that  
 5 satisfactory to you as a pollution underwriter?  
 6 A. Yes.  
 7 Q. If we look at the later versions of the  
 8 underwriting criteria -- and it doesn't matter if we  
 9 look at Exhibit 243, which is the 2005 edition, or if we  
 10 look at Exhibit 245, which is the 2007 edition. Both of  
 11 them taking, insofar as the questions I'm going to ask  
 12 you, the relevant -- the same words under underwriting  
 13 criteria. Okay?  
 14 A. Okay.  
 15 Q. Both of them say, "Vessels must be acceptable  
 16 as hull risks." Do you believe that in the renewal of  
 17 this risk in 2008, 2009 year -- policy year that the  
 18 property insurance was in place on the AFDB-5 and the  
 19 hull insurance that was in place on the other vessels in  
 20 the schedule indicated to you that that criteria had  
 21 been fulfilled?  
 22 A. Yes.  
 23 MR. NICOLETTI: You misspoke. You said  
 24 2008, and it's the 2009-2010 policy.  
 25 MR. GUY: Correct. I was talking about

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 136

1 there are a number of vessels on the schedule that was  
 2 attached to the exhibit I showed you earlier that  
 3 are more than 25 years old.  
 4 A. Yes.  
 5 Q. And includes the AFDB-5.  
 6 A. Yes.  
 7 Q. Are you aware -- at any time prior to the  
 8 Bender surveys that Mr. Nicoletti showed to you, are you  
 9 aware of any time that Great American, on the pollution  
 10 policy, requested surveys from Signal International on  
 11 any of the vessels on that schedule, or any other piece  
 12 of marine property?  
 13 A. Not that I'm aware of. But I was only there  
 14 about six months before this renewal.  
 15 Q. Fair enough. Have you ever checked the file  
 16 to see if there were such surveys?  
 17 A. I've checked the survey section and did not  
 18 see any other surveys.  
 19 Q. Would you agree with me that as a -- an  
 20 existing underwriter, for that matter, one seeking  
 21 renewal of an existing policy in 2008 for 2009 year, you  
 22 would be perfectly entitled to ask for surveys on any of  
 23 the property that was part of the proposed schedule?  
 24 A. Yes, you'd be entitled to ask that.  
 25 Q. Okay. I believe that you testified earlier

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 135

1 the time of the renewal --  
 2 MR. NICOLETTI: Right.  
 3 MR. GUY: -- 2008. But it's --  
 4 Q. (By Mr. Guy) He's correct. It's 2009 policy.  
 5 So that underwriting criteria, even though you didn't  
 6 have these pollution policy guidelines, was being  
 7 fulfilled. Correct?  
 8 A. Yes.  
 9 Q. The other thing that's said on the application  
 10 from 2007, and this is different -- yeah, from  
 11 Exhibit 245, it's not in the 2005 Exhibit 243, is that  
 12 applications containing vessels over 25 years old should  
 13 be accompanied by a recent survey. Do you recall that?  
 14 You can see it again if you like.  
 15 A. Yes, I recall seeing that on the exhibit.  
 16 Yes.  
 17 Q. Mr. Nicoletti asked you a series of questions  
 18 about that. Do you recall that?  
 19 A. Yes.  
 20 Q. And I think I understood your answer to be --  
 21 and please correct me if I'm wrong -- that your practice  
 22 was not to do that for existing accounts where you were  
 23 just renewing them.  
 24 A. That's correct.  
 25 Q. Are you aware of -- and we've agreed already

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 137

1 that you may have done that with some of the Bender  
 2 assets and there may not have been surveys on them; is  
 3 that correct?  
 4 A. Yes.  
 5 Q. Going back to the 2009 renewal, at no time did  
 6 you request any surveys on them.  
 7 A. No, nothing. Yeah. No.  
 8 Q. If you were to have requested a survey, would  
 9 you want the most recent survey on any particular marine  
 10 asset or vessel?  
 11 MR. ZACHARKOW: Objection. You can  
 12 answer.  
 13 A. Yes, we'd want the most recent survey.  
 14 Q. (By Mr. Guy) And you would always make these  
 15 approaches to the broker, who would then pass it on to  
 16 the insured; is that correct?  
 17 A. Yes.  
 18 Q. In this case, that would be Willis and then  
 19 Signal?  
 20 A. Yes.  
 21 Q. Okay. If you did ask Willis for a survey on  
 22 any particular piece of property or vessel on the  
 23 schedule, and they responded, we've got surveys going  
 24 back a decade on this, would you want all those surveys  
 25 or just the most recent?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio



## ORAL DEPOSITION OF REESE LEVER

Page 138

- 1 A. I'd want to see all of them, to tell you the  
2 truth. I'd want as much information as I could get on  
3 the vessel.  
4 Q. Did you ever ask that?  
5 A. I never asked for all the surveys.  
6 Q. You never asked for any surveys. Right?  
7 A. Yeah. Besides the Bender.  
8 Q. Right.  
9 A. I asked for those surveys.  
10 Q. Do you believe that, even without asking, the  
11 insured should provide those -- all surveys on all 27  
12 pieces of marine property, even without you asking?  
13 MR. ZACHARKOW: Objection. You may  
14 answer.  
15 A. No, I don't believe they should provide all  
16 the surveys. But I do believe if there's any vessels  
17 that aren't, I guess, up to spec, that they should let  
18 us know what they're doing to get these vessels back up  
19 and operational, I guess.  
20 Q. (By Mr. Guy) How does the insured know that?  
21 You don't communicate with Signal directly. Correct?  
22 A. No, I do not.  
23 Q. Did you ever tell Willis if there are any  
24 vessels that aren't up to spec, Signal should provide us  
25 with a survey?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 140

- 1 Q. (By Mr. Guy) Right. But how would you make  
2 that request?  
3 A. I would send an e-mail to Willis requesting  
4 C&V surveys.  
5 Q. Okay. Now, we've already established that you  
6 didn't do that.  
7 A. Yes.  
8 Q. Do you have any reason to believe that if you  
9 had done that, Signal would not have provided everything  
10 that you requested that was in their possession to  
11 Willis to be passed on to you?  
12 A. I don't have any reason to believe that.  
13 Q. Have you ever spoken to anybody at Signal?  
14 A. No.  
15 Q. Do you know who Dick Marler is?  
16 A. No.  
17 Q. Do you know who Chris Cunningham is?  
18 A. No.  
19 Q. Do you know who Lisa Spears is?  
20 A. No.  
21 Q. Okay. With regard to Willis, do you know who  
22 John Bullock is?  
23 A. I -- I don't know for sure, but I think I've  
24 met John. Yes. He's the producer on the account.  
25 Q. You think you might have met him socially or

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 139

- 1 A. No, I did not.  
2 Q. How would the insured know that that is what  
3 you expect?  
4 MR. ZACHARKOW: Objection. Go ahead.  
5 A. I think it's -- I would say it's common sense  
6 that you would give an accurate picture of what state  
7 your vessels are in.  
8 Q. (By Mr. Guy) So why would you provide all  
9 surveys going back ten years, rather than just the most  
10 recent one?  
11 A. To see what kind of work has been done in the  
12 last ten years, how their maintenance program might  
13 work.  
14 Q. There's 27 pieces of marine equipment in this  
15 schedule. Right?  
16 A. Yes.  
17 Q. Some of them are quite old.  
18 A. Yes.  
19 Q. You'd like every survey going back to when  
20 they were built? Is that really correct?  
21 MR. ZACHARKOW: Just for point of  
22 reference, you're talking about for the '9-'10 renewal?  
23 MR. GUY: Yes.  
24 A. If I requested surveys, I'd want as much  
25 information as I could get, yes.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 141

- 1 at an industry function?  
2 A. I've been to their office on a marketing trip  
3 before. I was meeting with Vernon, but I think he  
4 introduced me to John.  
5 Q. Okay. So you met with Vernon, you may have  
6 met with John Bullock. Have you met John Baker? Do you  
7 know who that is?  
8 A. Not that I know of.  
9 Q. Do you know who Joyce Johnson is?  
10 A. Yes.  
11 Q. Who's Joyce Johnson?  
12 A. She's, I would say, like the lead CSR on the  
13 account working for Vernon.  
14 Q. Fair enough. Other than what was included in  
15 the -- the exhibit we looked at, I forget the number.  
16 This one. (Indicating)  
17 A. Same one? 251?  
18 Q. 251. Other than Exhibit 251, were any other  
19 representations made to you with regard to placing the  
20 Signal pollution policy for 2009-2010 year?  
21 A. Not that I remember, no.  
22 Q. Okay. If we go to another exhibit that was  
23 introduced earlier,  
24 MR. NICOLETTI: What are you looking for?  
25 MR. GUY: His response with the quote.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 154

1 were made to you or Ms. Stringer; is that correct?

2 A. Yes.

3 Q. And no representations at any time have been  
4 made to you by Signal International itself; is that  
5 correct?

6 A. That's correct.

7 Q. Any representations made to you with regard to  
8 this account, when it comes to placing of the insurance  
9 or its renewal, have been made through Willis; is that  
10 correct?

11 A. Yes.

12 Q. I asked you earlier if you were aware of  
13 anything that Willis has said to you, the only party  
14 that communicated to you about this account, that was  
15 untrue.

16 A. (Nods affirmatively.)

17 Q. Are you aware of anything Willis has said to  
18 you in the placing of this account, particularly the  
19 renewal in 2009 that was untrue?

20 A. No.

21 Q. Are you aware of them misrepresenting  
22 anything?

23 MR. ZACHARKOW: Objection. You may  
24 answer.

25 A. No, not on the information we requested.

Sunbelt Reporting & Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 156

1 condition, and the next year is fair to good condition,  
2 that's not material to the risk, is it?

3 MR. ZACHARKOW: Objection.

4 A. It's -- I mean, if they're doing repairs on a  
5 vessel, it's something -- if they're major repairs, it's  
6 something we'd want to know about.

7 Q. (By Mr. Guy) How does the insured know that  
8 if they are doing, to you use your words, major repairs  
9 on the vessel, they should tell you through your broker?

10 A. I would say if you're doing major repairs on a  
11 vessel, I think it's common sense you'd want to let your  
12 insurers know that you're repairing these vessels,  
13 trying to make them better.

14 Q. Where does it say that in the policy?

15 A. It doesn't.

16 Q. Okay. My question again, how should the  
17 insured know?

18 A. As I said, I think it's common sense that  
19 you'd want to let your insurers know that you're --  
20 you're repairing -- if there are major repairs to be  
21 done, that you're doing the major repairs.

22 Q. Okay. Great American has had this account  
23 since 2004, 2005. Correct?

24 A. Yes.

25 Q. We've had the files produced for all of those

Sunbelt Reporting & Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 155

1 Q. (By Mr. Guy) Okay. And have you -- you  
2 mentioned that -- I asked you earlier if you had come to  
3 learn of anything that they did not disclose to you that  
4 you believe that they should have disclosed to you. I'd  
5 like you to listen to my question carefully. Okay? Can  
6 you point to any specific document that would fall into  
7 that category of something that they did not tell you,  
8 but you believed that they should have done because it  
9 was material to the risk?

10 A. I don't -- I don't remember what state the  
11 most recent surveys said the vessel was in that I saw,  
12 so I don't -- I don't know.

13 Q. If the most recent survey said the condition  
14 of the vessel was fair to -- the condition of the AFDB-5  
15 was fair to good condition, that wouldn't be material to  
16 the risk, would it?

17 MR. ZACHARKOW: Objection.

18 MR. NICOLETTI: You can answer.

19 A. To me, it would depend on what we went through  
20 earlier on the surveys, the conditions and any  
21 recommendations, how major or minor those were.

22 Q. (By Mr. Guy) Well, if the two previous  
23 surveys -- the two previous surveys from the same  
24 company, okay, if they both describe the condition as  
25 fair condition one year, the next year was fair

Sunbelt Reporting & Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 157

1 years. And at no time has any such request for any  
2 surveys, nor details of any repairs, be they major or  
3 minor, of any of the assets been requested. Do you  
4 agree with that?

5 A. Yes. Besides Bender, yes.

6 Q. Aside from Bender in 2010, which was a new  
7 acquisition.

8 A. Yes.

9 Q. All right. So my question again, given that  
10 history, how is the insured to know what it is that  
11 they're meant to provide to the underwriter with regard  
12 to repairs, and what action they're doing, especially  
13 when the most recent survey does not -- does not reveal  
14 any increased risk as a result of a poor condition on a  
15 vessel?

16 MR. ZACHARKOW: Objection.

17 A. I think it goes back to the duty of utmost  
18 good faith. If there are vessels that have problems,  
19 the underwriter should be aware of it.

20 Q. (By Mr. Guy) Do you have any evidence that  
21 Signal was aware of serious problems with any of its  
22 assets that it did not tell you about?

23 A. Yes, in some of these surveys.

24 Q. Which survey?

25 A. The one from the ABS.

Sunbelt Reporting & Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 170

- 1 nature to reflect a cancellation of the coverage for the  
2 AFDB-5 as of January 30th, 2010?
- 3 A. The way this should have worked would not have  
4 been included on the renewal quotation.
- 5 Q. But this letter says the policy was cancelled,  
6 does it not?
- 7 A. Well, that policy had expired.
- 8 Q. With regard -- isn't it also correct to get  
9 back the certificates of financial responsibility, you  
10 have to show evidence to the Coast Guard that the policy  
11 on that vessel was canceled?
- 12 A. Well, the renewal policy wouldn't have  
13 included that vessel. Is that correct?
- 14 Q. Well, the second sentence of Mr. -- can you  
15 identify Captain Ed Wilmot's signature?
- 16 A. Yes.
- 17 Q. Is that his signature on this document?
- 18 A. I would assume so, yes.
- 19 Q. And doesn't this document on its face, which  
20 was from Great American to Signal, say, number one,  
21 Great American is canceling the pollution policy as of  
22 January 30th with regard to the AFDB-5? Isn't that what  
23 the document states?
- 24 A. It says it was canceled on January 30th, yes.
- 25 Q. Right. And the next line is -- from Captain

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 172

- 1 Q. And the second page is the actual Certificate  
2 of Financial Responsibility?
- 3 A. That is our -- that's a certificate -- that's  
4 our COFR guaranty, that's not the actual guaranty. Yes.
- 5 MR. NICOLETTI: I have no further  
6 questions.
- 7 MR. ZACHARKOW: Give me five minutes to  
8 run to the restroom.
- 9 MR. GUY: Mr. Krauss, have you got  
10 anything?
- 11 MR. KRAUSS: No questions.
- 12 MR. ZACHARKOW: Just a few questions.
- 13 CROSS EXAMINATION
- 14 QUESTIONS BY MR. GEORGE R. ZACHARKOW:
- 15 Q. Mr. Lever, you were asked by Mr. Guy about  
16 survey reports performed by the Dufour, Laskay firm.
- 17 A. Yes.
- 18 Q. Right? And you're familiar with that firm?
- 19 A. Yes.
- 20 Q. Now, if the surveyor for Dufour, Laskay had  
21 indicated in one of their survey reports that all of the  
22 pontoons should be separately removed and drydocked for  
23 inspection of the bottom plating and repairs, is that  
24 something -- is that the type of information that would  
25 be significant to an underwriter?

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 171

- 1 Ed is he's going to cancel the outstanding COFR  
2 guaranty.
- 3 A. Yes, that's what he says.
- 4 Q. And that COFR guaranty will continue for 30  
5 days beyond the cancellation of the policy; isn't that  
6 true?
- 7 A. That's what the letter says, yes.
- 8 Q. Do you have any reason to disagree with what  
9 Captain Ed is saying here?
- 10 A. I think -- well, I would use "expired" instead  
11 of "canceled." But besides that, no.
- 12 MR. NICOLETTI: Let's mark this next  
13 document as Lever Exhibit 276. It's a two page document  
14 bearing production number GA-277 and 282.  
15 (Exhibit No. 276 marked.)
- 16 Q. (By Mr. Nicoletti) Can you identify  
17 Exhibit 276, please?
- 18 A. It's a letter to our COFR -- or an e-mail to  
19 our COFR person, Linda Bell in New York, to cancel the  
20 guaranty for the AFDB-5, from me to Linda dated  
21 February 22nd, 2010.
- 22 Q. And in this case, you're using the word  
23 "cancel" and not "expired." Correct?
- 24 A. Well, since the policy is expired, we'll  
25 cancel the guaranty, yes.

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 173

- 1 MR. NICOLETTI: Objection as to form.
- 2 MR. GUY: Object as to form.
- 3 THE WITNESS: Do I answer?
- 4 MR. NICOLETTI: You can answer.
- 5 A. Yes. As I said, if it was something major  
6 like that, that's something we'd want to be aware of.
- 7 Q. (By Mr. Zacharkow) And is that something that  
8 you would follow up with as you were referencing the  
9 Bender surveys?
- 10 A. Yes.
- 11 Q. And if, in fact, the -- the same Dufour  
12 surveyor provided a time frame when the pontoons should  
13 be individually drydocked, inspected, and repaired, is  
14 that something that you would wish to be informed of as  
15 an underwriter?
- 16 A. Yes.
- 17 Q. And what -- why would you want to know that?
- 18 A. Well, again, we'd want to know about the major  
19 repairs, and if they're being done.
- 20 Q. If Signal had to have staff attending to the  
21 drydock 24 hours, seven days a week in order to monitor  
22 the inflow of water and pump it out, is that the type of  
23 information you'd like to know as an underwriter?
- 24 MR. GUY: Object to the form.
- 25 MR. NICOLETTI: Lack of foundation. Lack

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 174

1 of competence, really.  
 2 MR. ZACHARKOW: I'm sorry. Lack of what?  
 3 MR. NICOLETTI: Competence.  
 4 Q. (By Mr. Zacharkow) You may answer.  
 5 A. Yeah. If that's something irregular for this  
 6 type of drydock, that's something we'd want to know if  
 7 they have to do that.  
 8 Q. If someone had inspected the drydock and  
 9 stated that the -- the decking for all of the pontoons  
 10 needed replacement, is that the type of information  
 11 you'd like to know as an underwriter?  
 12 MR. GUY: Object to form. No foundation.  
 13 A. Yeah. Again, if it's a major repair, we want  
 14 to know if the vessel needs major repair.  
 15 Q. (By Mr. Zacharkow) Are you aware of whether  
 16 Dufour, Laskay are experts in drydocks, inspecting  
 17 drydocks?  
 18 A. I'm not aware if that's their expertise or  
 19 not.  
 20 Q. No further questions. Thank you.  
 21 MR. NICOLETTI: I've got a couple of  
 22 follow-ups.  
 23 FURTHER DIRECT EXAMINATION  
 24 QUESTIONS BY MR. NICOLETTI:  
 25 Q. Now, based upon your practice in dealing with

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 176

1 DOCUMENT REQUESTS  
 2 PAGE LINE  
 3 Document Request No. 1 23 6  
 4 Document Request No. 2 24 10  
 4 Document Request No. 3 25 1  
 4 Document Request No. 4 89 24  
 5 Document Request No. 5 101 17  
 5 Document Request No. 6 102 7  
 6 Document Request No. 7 112 3  
 6 Document Request No. 8 112 19  
 7 Document Request No. 9 113 24  
 7 Document Request No. 10 114 15

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 175

1 the Bender surveys --  
 2 A. Uh-huh.  
 3 Q. -- had Signal disclosed the alleged conditions  
 4 that Mr. -- that Mr. Zacharkow just gave to you in those  
 5 questions, isn't it true you still would have  
 6 written the -- you still would have insured the drydock,  
 7 but elicited a promise from Signal that it would do  
 8 those repairs?  
 9 A. If it was --  
 10 MR. ZACHARKOW: Objection.  
 11 A. If it was this renewal?  
 12 Q. (By Mr. Nicoletti) Yes.  
 13 A. Yes, that's probably true.  
 14 Q. And if it was 2009, it would be the same  
 15 thing. Had they disclosed all the information, you  
 16 still would have added the -- kept, not even added,  
 17 continued to insure the drydock on the representation  
 18 that they were going to do the repairs; isn't that true?  
 19 A. Yes.  
 20 MR. NICOLETTI: I have no further  
 21 questions. I think we're done.

\*\*\*\*\*

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio

## ORAL DEPOSITION OF REESE LEVER

Page 177

1 CHANGES AND SIGNATURE  
 2 WITNESS NAME: DATE OF DEPOSITION:  
 3 REESE LEVER DECEMBER 15, 2011  
 4 PAGE LINE CHANGE REASON

5 \_\_\_\_\_  
 6 \_\_\_\_\_  
 7 \_\_\_\_\_  
 8 \_\_\_\_\_  
 9 \_\_\_\_\_  
 10 \_\_\_\_\_  
 11 \_\_\_\_\_  
 12 \_\_\_\_\_  
 13 \_\_\_\_\_  
 14 \_\_\_\_\_  
 15 \_\_\_\_\_  
 16 \_\_\_\_\_  
 17 \_\_\_\_\_  
 18 \_\_\_\_\_  
 19 I, REESE LEVER, have read the foregoing  
 20 deposition and hereby affix my signature that same is  
 21 true and correct, except as noted herein.  
 22 \_\_\_\_\_  
 23 Job No. 97679  
 24 \_\_\_\_\_  
 25 \_\_\_\_\_

Sunbelt Reporting &amp; Litigation Services

Houston Austin Bryan/Colege Station Corpus Christi Dallas/Fort Worth East Texas San Antonio